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**LEWIS  
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**LAWYERS**

**BEFORE THE ARIZONA CORPORATION COMMISSION**

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Chairman

**JAMES M. IRVIN**  
**Commissioner**

**MARC SPITZER**  
Commissioner

Arizona Corporation Commission

DOCKETED

DEC 10 2001

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**IN THE MATTER OF U S WEST  
COMMUNICATIONS, INC.'S  
COMPLIANCE WITH § 271 OF THE  
TELECOMMUNICATIONS ACT OF 1996**

**Docket No. T-00000A-97-0238**

**RESPONSE OF WORLDCOM, INC. TO  
LIBERTY CONSULTING GROUP'S AUDIT REPORT**

WorldCom, Inc., on behalf of its regulated subsidiaries, (“WorldCom”) submits the following comments on the data reconciliation process conducted by Liberty Consulting Group (“Liberty”).

1    **A.    INTRODUCTION**

2           Liberty conducted an audit of Qwest's performance measures for the regional  
3 oversight committee ("ROC"). As an extension to the audit, and through its Change  
4 Request process, the ROC requested that Liberty conduct a "data validation to resolve any  
5 debates concerning the accuracy of performance data emanating from particular ROC  
6 PIDs." Liberty was subsequently requested to include Arizona within the scope of its data  
7 reconciliation work. *These comments address the report that provides the results of*  
8  
9 Liberty's review of Arizona data.

10  
11    **B.    SPECIFIC COMMENTS**

12           **I.    Introduction**

13  
14           Liberty states on page 1 of its report that "Liberty has determined that the objective  
15 for the data reconciliation process solicited by the ROC should be to answer the following  
16 question: Does any of the information provided by the participating CLECs demonstrate  
17 inaccuracy in Qwest's reporting of performance results under the measures defined in the  
18 PID?" A more appropriate question is: "Does any of the information provided from  
19 CLECs and Qwest after being completely and thoroughly analyzed by Liberty Consulting  
20 demonstrate inaccuracy in Qwest's reporting of performance results under the measures  
21 defined in the PID?"  
22  
23

24           The reconciliation should not only make decisions on the information provided by  
25 CLECs to disprove Qwest, but must also take into account information received from  
26

1 Qwest and findings by Liberty in the process of conducting the reconciliation. For  
2 example, Liberty will be issuing an exception regarding OP-15. The reasons for that  
3 exception were not the result of information provided by CLECs, but rather the result of  
4 Liberty's review of Qwest's information during the data reconciliation.  
5

6 Liberty states that it started this data reconciliation test with a significantly greater  
7 familiarity with the structure and nature of the Qwest data, with which Liberty worked  
8 extensively during earlier audit activities. However, Liberty acknowledged that gaining a  
9 similar kind of familiarity with CLEC data structure and content formed a more significant  
10 than expected part of this test. While during the course of its data reconciliation test work  
11 Liberty was able to match a significant portion of the apparently contradictory data  
12 presented by CLECs and Qwest, discrepancies remained very large even after the  
13 matching of data was completed.  
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15

16 Liberty found that Qwest and a CLEC interpreted requirements differently or had  
17 different understandings of how interactions with Qwest or the information resulting from  
18 them should be treated. While Liberty states it did not seek to determine who was right  
19 and who was wrong, or who reflected the better practice, the effect of its determinations  
20 are to determine that Qwest was right where CLECs did not prove Qwest to be wrong. In  
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1 the case of data discrepancies, Liberty required an affirmative showing of Qwest error or  
2 omission before issuing an exception or observation.<sup>1</sup>

## 3 II. Overall Summary of Findings

4 The results of Liberty's Arizona data reconciliation work should influence  
5 decisions about the scope and methods of the remaining data reconciliation work for  
6 Arizona. Liberty found that Qwest did make some errors that affected performance  
7 results. Regardless of whether Qwest purposely took steps to make its performance results  
8 appear better than it actually was or whether errors appeared to be honest mistakes, there  
9 were errors that impacted the performance results and demonstrated inaccuracies in  
10 Qwest's results.  
11

12 Liberty should capture all of these issues in the observation and exception  
13 process as outlined in paragraph 5 of the data reconciliation process.<sup>2</sup> However,  
14 Liberty has only discussed one observation for OP-15 being created out of the  
15 entire data reconciliation process. What is the basis for Liberty's conclusion that  
16 those errors were generally either (a) of the kind and at levels to be expected at the  
17 front end of the performance measurement process, where people must manually  
18 enter vast amounts of information, or (b) appeared to be honest errors in judgment?  
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23 <sup>1</sup> See, Section III.c, *supra*.

24 <sup>2</sup> Paragraph 5 states: If the source of a discrepancy is Qwest and that discrepancy points to  
25 some problem with Qwest's raw data, the auditor shall create an Exception/Observation  
26 per the Exception and Observation process used in the ROC OSS test. In the  
Exception/Observation, the auditor will make recommendations as to whether the  
identified deficiency is likely to affect multiple services and/or multiple CLECs. The  
auditor will also identify what it believes is the period of time that Qwest may have been  
producing questionable performance results.

1 Liberty also stated that the amount of these errors in relation to the total  
2 amount of information required for the performance measures did not exceed what  
3 Liberty considers to be expected levels, even under a carefully operated set of  
4 measurement activities. What is Liberty's objective standard for its expected levels  
5 of performance by Qwest and upon what does it base this conclusion?  
6

7 Liberty has also publicly been under constant pressure from Qwest to finish the  
8 reconciliation report in Arizona and other states. Moreover, Qwest now seeks to terminate  
9 the data reconciliation in other states based on its Arizona findings. Such pressure and the  
10 failure to follow the observation and exception process, gives the appearance that Liberty  
11 succumbed to Qwest's pressure to finish the report rather than pursue further  
12 investigations where appropriate under its own data reconciliation process described in the  
13 report.<sup>3</sup>  
14  
15

### 16 **III. Results of Data Reconciliation – AT&T – Use of Reference Date**

17 Several performance measures use the number of orders completed in the reporting  
18 period as the denominator. Liberty's review during the performance measures audit  
19 showed that records are updated close to the time of the activity involved, such as  
20 completion; however, there is usually a lag of a couple of days. Qwest's service order  
21 database does not contain a real-time picture of service order activity. If the performance  
22 measures used only the report month, Qwest could miss a substantial amount of activity.  
23  
24  
25

26 <sup>3</sup> See, Pages 1 and 2 of the Liberty Data Reconciliation Report.

1 Liberty notes that Qwest solved this potential problem by calculating measures for  
2 records in which the database reference date is the reporting month. This method may  
3 cause orders that are completed in one month to be reported in a later calendar month. As  
4 noted by Liberty, this reference date issue affects all products.  
5

6 Using the reference date instead of the actual completion date does not truly match  
7 the PID denominator that refers to "total orders completed in the reporting period,"  
8 thereby producing different results from month-to-month based on Qwest's reference date  
9 instead of the actual completion date. Qwest should collect the data 3 or 4 days after the  
10 end of the month to account for the lag and report on the actual completion date as stated  
11 in the PID. Qwest currently uses this reporting lag in the monthly service performance  
12 reports received by WorldCom from the Qwest account team  
13  
14

#### 15 IV. Results of Data Reconciliation - WorldCom

16 A couple of points clarification on the scope of work associated with WorldCom  
17 are appropriate here. Liberty states that the scope of work associated with WorldCom  
18 included "2-wire unbundled loop analog." WorldCom clarifies that the scope included  
19 only unbundled analog loops. Also, Liberty provided WorldCom with two confidential  
20 order specific spreadsheets analyzing each order. The second spreadsheet which addresses  
21 UBL (AZ OP-3 UBL WCOM) has an incorrect heading. Liberty correctly starts with  
22 January on pages 1 and 2 with the heading for "UBL." However, for the remaining  
23 months on pages 3-17, the heading refers to "LIS" instead of the appropriate "UBL."  
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1 In addition to the issues addressed above, WorldCom has a number of concerns  
2 with Liberty's findings. Most notably is the percentage of orders that are inconclusive or  
3 have contradictory data. WorldCom is concerned with Liberty's conclusion on page 3 that  
4 "This success in data matching was important, but the discrepancies remained very large  
5 even after it was completed."

7 Liberty did not apply the same standard in determining whether Liberty's findings  
8 where inconclusive or not. Liberty provided WorldCom with the confidential order  
9 specific spreadsheets analyzing each order. Under the category titled "**Orders Qwest**  
10 **included in the denominator but WCOM did not,**" Liberty's analysis states:

12 Qwest reported this order as a miss in January. WCOM did not get  
13 the matching PON number from Qwest to research the order. Therefore,  
14 *WCOM did not provide any information that demonstrates Qwest's*  
*treatment of the order was incorrect.*<sup>4</sup> (Emphasis supplied.)

15 Of the WorldCom orders investigated by Liberty, 33 orders were categorized as not  
16 incorrect because WorldCom had not demonstrated that Qwest's treatment was incorrect.

18 However, in the reverse situation under the category "**Orders WCOM included in**  
19 **the denominator but Qwest did not,**" Liberty's analysis states:

20 Qwest could not locate the order with the information provided.  
21 Subsequently, a WCOM service order has been provided to Qwest. No reply  
22 from Qwest. *Information available on this order is inconclusive.*<sup>5</sup> (Emphasis  
23 supplied.)

24  
25 <sup>4</sup> See, WorldCom's confidential spreadsheet under OP-3 LIS Trunks Arizona WorldCom  
January 2001, #12.

26 <sup>5</sup> See, WorldCom's confidential spreadsheet under OP-3 LIS Trunks Arizona WorldCom  
February 2001, #30.

1 In addition, for other orders, Liberty found the two companies' data "conflicting" and  
2 made no conclusions. There were 10 WorldCom orders declared by Liberty to be  
3 "inconclusive" or "conflicting" for which no conclusions were drawn. Why is it  
4 "inconclusive" when WorldCom provides the service order to Qwest and there is no reply  
5 from Qwest; however, when WorldCom does not receive a PON number from Qwest to  
6 even be able to research the order Liberty states, "WCOM did not provide any information  
7 that demonstrates Qwest's treatment of the order was incorrect"? This appears to be  
8 applying two and possibly three different standards – all of which benefit Qwest.  
9

10  
11 Immediately after receiving Liberty's first data request WorldCom made several  
12 requests to Qwest to obtain PONs. WorldCom even had to seek Liberty's help in order to  
13 get Qwest to provide some of the necessary PON information to track these orders. After  
14 approximately one week Qwest eventually was willing to provide WorldCom with some  
15 of the needed PON information. Qwest's initial response was that it would not provide the  
16 PON information. This left WorldCom wondering how seriously Qwest was taking the  
17 reconciliation process.  
18

19  
20 A second major concern is the percent of the total where Liberty found Qwest to be  
21 incorrect. Liberty states on page 18 of WorldCom's analysis that it found Qwest was  
22 incorrect less than 5 percent for LIS trunks and less than 2 percent for UBL orders. This  
23 means that approximately 6-7% of the time Qwest was found to be incorrect. This is a  
24 fairly significant percentage and does not seem to support Liberty's general conclusion on  
25 page 17 that "Liberty's reconsolidation process confirmed the existence and generally  
26



1 appropriate use of Qwest's systems to produce accurate OP-3 and OP-4 measurement for  
2 WCom."

3 Liberty's analysis shows that Qwest's errors related to lack of support for a  
4 customer-caused miss or that the commitment date did not appear to be met as reported by  
5 Qwest, which are critical concerns that WorldCom specifically and other CLECs in  
6 general have about Qwest's ability to appropriately produce accurate results and the need  
7 for such data reconciliation audits.  
8

9 The third issue relates to a number of orders in February 2001 that were in dispute  
10 where Qwest included orders and WorldCom disagreed with the order number. The  
11 WorldCom PON showed a different order number than Qwest showed for the identical  
12 PON. Liberty indicated that Qwest's "reporting of the performance measure properly  
13 accounted for this order."<sup>6</sup> Since the order numbers did not agree, Liberty should have  
14 refrained from making any conclusions.  
15

16 In addition, regarding Qwest's order N00422776, Liberty allowed an order that was  
17 completed in July 2000 (outside the scope of this data reconciliation) to be included in the  
18 performance measure based on the fact that Qwest "initiated a 'clean-up' activity of  
19 pending orders."<sup>7</sup> Both companies agreed the order was completed July 26, 2000. Liberty  
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23

24  
25 <sup>6</sup> See, WorldCom's confidential spreadsheet under OP-3 UBL Arizona WorldCom  
February 2001, #67-75.

26 <sup>7</sup> See WorldCom's confidential spreadsheet under OP-3 UBL Arizona WorldCom January  
2001, #16.

1 gives no explanation for including this order other than Qwest decided to do some  
2 housecleaning.

3  
4 **V. Future Qwest Data Reconciliation**

5 Liberty states that its data reconciliation work in Arizona showed that a small  
6 number of reasons explained a relatively large percentage of the differences. Liberty also  
7 notes that CLECs may not agree with Qwest on matters such as the definition of service  
8 order completion, Qwest's practice of making records ineligible because of customer  
9 changes to due dates, or closing trouble tickets simply because the wrong circuit had been  
10 identified. Nevertheless, these kinds of issues are the main reasons why results were so  
11 disparate. In addition, Liberty stated that there may be differences in the ways that Qwest  
12 performs in various parts of its region.  
13

14  
15 Liberty must completely and accurately determine whether Qwest is complying  
16 with the PID requirements. Whether the differences can be explained, or may be the result  
17 of the different ways that Qwest performs in various regions, the criteria upon which  
18 Qwest must be judged is found in the PIDs and the formulas must control how Qwest  
19 collects and uses data in calculating performance results. That is what Liberty should be  
20 investigating.  
21

22 Finally, Liberty states it will be issuing an exception report on performance  
23 measure OP-15, which applied to about half of the LIS Trunk service orders. Liberty also  
24 stated that the problem could exist (for the period being reconciled) for designed services  
25 other than LIS Trunks. Accordingly, Liberty recommended that an investigation would be  
26

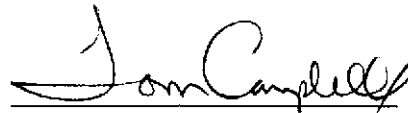
1 appropriate to determine exactly the full range of products affected, and the months  
2 involved. WorldCom agrees that a further investigation is absolutely appropriate and  
3 should be conducted by Liberty to determine the full range of products affected, and the  
4 months involved, and produce the necessary exceptions or observations.  
5

6 **C. CONCLUSION**

7 The information provided in Liberty's report demonstrates material errors and  
8 inaccuracies by Qwest on how Qwest reported its performance. Qwest should be held  
9 responsible and accountable for these errors. Liberty should use the observation and  
10 exception process to investigate the errors discovered. In addition, the Commission must  
11 be advised of the actions that Qwest will take to correct these material issues so as to  
12 ensure accurate reporting under the performance measures on an ongoing basis.  
13  
14

15 RESPECTFULLY submitted this 10<sup>th</sup> day of December, 2001.

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1 ORIGINAL and ten (10)  
2 copies of the foregoing filed  
3 this 10<sup>th</sup> day of December, 2001,  
4 with:

5 Arizona Corporation Commission  
6 Docket Control – Utilities Division  
7 1200 W. Washington Street  
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9 COPY of the foregoing hand-  
10 delivered this 10<sup>th</sup> day of December, 2001,  
11 to:

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